

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number S/023/0108 Mine Name Black Magic Mine
Operator Metamining of Utah Date Sent Sept 17 2013
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded
Notice of File Closure and Release of Reclamation Surety
2013 - 09172013

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2013 - 09172013

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2013 - 09172013

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____

110049083

Account Number: [REDACTED]
Account Name: UST - OGM Metamining of Utah LLC
Tran #: 19076639
Admin Name: Raylyn Daniel - UST 801-844-8523
Date: 09/10/2013

This check constitutes payment of the following:

Escrow Disbursements
partial release of acct # [REDACTED]

Paid For:

Amount: **\$3,000.00**

110049083

Payee:

UST - OGM Metamining of Utah LLC
c/o UST
350 N State Street, Ste 180
PO Box 142315
Salt Lake City UT 84114-2315

HARLAND CLARKE M17873 12516467

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW

OFFICIAL CHECK

110049083

Zions First National Bank
Salt Lake City, Utah
801-844-7089

UST - OGM Metamining of Utah LLC

Trust Account [REDACTED]

9/10/2013

\$3,000.00*

Three Thousand Dollars & 00/100

Pay to the Order Of:

UST - OGM Metamining of Utah LLC
c/o UST
350 N State Street, Ste 180
PO Box 142315
Salt Lake City UT 84114-2315



Details on Back.
Security Features Included.

Mine Name:

Other Agency File Number:

RESOURCES

MINING

1210

**STATE OF UTAH
DEPARTMENT OF NATURAL**

DIVISION of OIL, GAS and

1594 West North Temple, Suite

Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Metamining Of Utah LLC the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S0230108 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

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NOV 18 2009

DIV. OF OIL, GAS & MINING

- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and
 - B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
- 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
- 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - C. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - D. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of

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cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.

Handwritten signature

10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.
12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

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The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

METAMINING OF UTAH LLC
Operator Name

By KENNETH F LOWDER
Authorized Officer (Typed or Printed)
Vice President

Authorized Officer - Position

Kenneth F Lowder
Officer's Signature

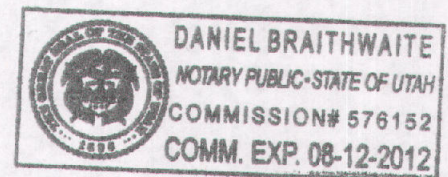
11-14-2009
Date

STATE OF UTAH)
) ss:
COUNTY OF UTAH)

On the 14th day of November, 2009,
Kenneth F Lowder personally
appeared before me, who being by me duly sworn did say that he/she
is an Partner (owner, officer, director,
partner, agent or other (specify)) of the Operator Metamining Of Utah
LLC and duly acknowledged that said
instrument was signed on behalf of said Operator by authority of its
bylaws, a resolution of its board of directors or as may otherwise be
required to execute the same with full authority and to be bound
hereby.

[Signature]
Notary Public
Residing at Springville Utah

8-12-12
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

12/3/09
Date

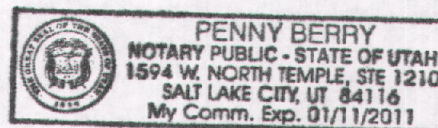
STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 3 day of December, 2009, John R. Baza
personally appeared before me, who being duly sworn did say
that he, the said John R. Baza is the Director of
the Division of Oil, Gas and Mining, Department of Natural Resources, State
of Utah, and he duly acknowledged to me that he executed the foregoing
document by authority of law on behalf of the State of Utah.

Penny Berry

Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



FACT SHEET

Commodity: MANGANESE

Mine Name: BLACK MAGIC

Permit Number: 50230108

County: Juab

Disturbed Acres: 2

Operator Name: METAMINING OF UTAH LLC

Operator address: 653 EAST 100 N. SPRINGVILLE UTAH 84663

Operator telephone: 801-995-0418

Operator fax: _____

Operator email: IRON-0X-@hotmail.com

Contact: KENNETH F Lowder

Surety Type: CASH

Held by (Bank/BLM): _____

Surety Amount: \$ 8,400⁰⁰

Surety Account Number: _____

Escalation Year: 2012

Tax ID or Social Security (for cash only): _____

Surface owner: BLM Fillmore Office

Mineral owner: M&T MINING OF UTAH LLC

UTU and/or ML number: UTU 87623

***DOGM Contact: Penny Berry, State of Utah, Division of Oil Gas and Mining, 801 538 5291 or bondcoordinator@utah.gov



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 14, 2011

Certified Return Receipt
7009 3410 0001 4202 8560

Kenneth Lowder
Metamining of Utah
653 East 100 North
Springville, Utah 84663

Subject: Surety Release Check Enclosed, Metamining of Utah, Black Magic Mine, S/023/0108, Juab County, Utah

Dear Mr. Lowder:

Please find enclosed with this letter a check in the amount of \$5,400.00. This check is for a *partial* release of the reclamation surety for the Black Magic Mine. The remaining surety, \$3,000.00, is considered adequate to complete reclamation.

Thank you for your cooperation in completing this reclamation work.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:whw:pb

Enclosure: Surety refund check

cc: JMansfie@BLM.gov

P:\GROUPS\MINERALS\WP\M023-Juab\S0230108-BlackMagic\final\RELBond-4270-11092011.doc

50230108

110026820

Account Number: [REDACTED]
Account Name: UST - OGM Metamining of Utah LLC
Tran #: 17637782
Admin Name: Raylyn Daniel - UST 801-844-8523
Date: 10/26/2011

This check constitutes payment of the following:

Escrow Disbursements
partial release of acc. [REDACTED]

Paid For:

Amount: \$5,400.00

110026820

Payee:

UST - OGM Metamining of Utah LLC
c/o UST
350 N State Street Ste 180
PO Box 142315
Salt Lake City UT 84114-2315

HARLAND CLARKE M17873 11138941

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW

OFFICIAL CHECK

110026820

Zions First National Bank
Salt Lake City, Utah
801-844-7089

UST - OGM Metamining of Utah LLC

Trust Account [REDACTED]

10/26/2011

\$5,400.00*

Five Thousand Four Hundred Dollars & 00/100

Pay to the Order Of:

UST - OGM Metamining of Utah LLC
c/o UST
350 N State Street Ste 180
PO Box 142315
Salt Lake City UT 84114-2315



METAMINING OF UTAH LLC

459 S 300 E
SPRINGVILLE, UT 84663-2232
PH 801-995-0418

1020

31-297/1240 2759
6859258334

DATE Nov. 2, 2009

PAY TO THE
ORDER OF

Department of Natural Resources D.O.G.M.

\$ 8,400.⁰⁰

eight-thousand four hundred dollars & no/100

DOLLARS



Security
Features
Details on
Back



Wells Fargo Bank, N.A.
Utah
wellsfargo.com

FOR Bond for Black Magic mine

[Signature]

MP

50230108



METAMINING OF UTAH LLC459 S 300 E
SPRINGVILLE, UT 84663-2232
PH 801-995-0418**1020**31-297/1240 2759
6859258334DATE Nov. 2, 2009PAY TO THE
ORDER OFDepartment of Natural Resources D.O.G.M.\$ 8,400.⁰⁰eight-thousand four hundred dollars & no/100

DOLLARS

Security
Features
Details on
Back.Wells Fargo Bank, N.A.
Utah
wellsfargo.comFOR Bond for Black Magic mine

MP

MINERALS BONDS**Cash RECEIPT**Date 11/9/09Amount \$ 8,400.⁰⁰
Check # 1020

Permit Number	<u>50230108</u>
Operator	<u>Metamining of Utah LLC</u>
For/Memo	<u>Surety</u>
Signature	<u>Penny Berry</u>

METAMINING OF UTAH LLC

459 S 300 E
SPRINGVILLE, UT 84602-2232
PH 801-995-0418

1020

31-297/1240 2759
6859258334

DATE Nov. 2, 2009

PAY TO THE
ORDER OF Department of Natural Resources D.O.G.M.

\$ 8,400.⁰⁰

eight-thousand four hundred dollars & no/100 DOLLARS



Wells Fargo Bank, N.A.
Utah
wellsfargo.com

FOR Bond for Black Magic mine

[Signature]

MP

50230108

RECEIVED
NOV 09 2009
DIV. OF OIL, GAS & MINING

iron_ox_@hotmail.com

30230108



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 14, 2011

Ann Pedroza
State of Utah, Office of State Treasurer
E315 State Capitol Complex
Post Office Box 142315
Salt Lake City, Utah 84114-2315

Subject: Authorization for Release of Cash Deposit Held by Utah State Treasurer, Metamining of Utah, Black Magic Mine, S/023/0108, Juab County, Utah

Dear Ms. Pedroza:

The Utah State Treasurer is presently holding funds for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for the following project:

Permit ID	Mine Name	BOND AMOUNT			OPERATOR Check payable to	Account Number
		Total Amount Held	Release Amount Requested	Amount to be Retained		
S/023/0108	Black Magic Mine	\$8,400.00	\$5,400.00	\$3,000.00	Metamining of Utah	
Total		\$8,400.00	\$5,400.00	\$3,000.00		

Please note that the total amount to be retained in the account for this project is \$3,000.00.

Please make the check payable to the operator and remit the funds to the Division, attention: Minerals Regulatory Program—Bond Coordinator.

If you have any questions or require further discussion regarding this letter, please contact Penny Berry, bond coordinator, at 801-538-5291, or by e mail at bondcoordinator@utah.gov.

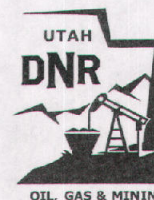
Sincerely,

Dana Dean, P.E.
Associate Director

DD:whw:pb

cc: Jerry Mansfield, BLM
obeyta@blm.gov

P:\GROUPS\MINERALS\WP\M023-Juab\S0230108-BlackMagic\final\CASHR-4270-10042011.doc



RECEIVED

OCT 07 2011

5/023/0108
cc: Wayne
Task: 4270



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, Utah 84631



In Reply Refer to:
3809 (UTW02000)
UTU-87623

October 5, 2011

CERTIFIED MAIL #7010 1670 0000 7621 7568
RETURN RECEIPT REQUESTED

DECISION

Kenneth Lowder
Metamining of Utah LLC
459 South 300 East
Springville UT 84663

43 CFR 3809 - Surface Management
Plan of Operation

Partial Release of Required Financial Guarantee

Your Plan of Operation (Plan) assigned Bureau of Land Management (BLM) case file number UTU 87623 was inspected on August 4, 2011. The purpose of the site visit was to inspect the reclamation that was reported complete with a request for release of financial guarantee in a letter received July 19, 2011.

The Plan was for the removal of stockpiles of manganese ore. The inspection found that the stockpiles had been removed, that the stockpile sites had been contoured to blend with the surrounding topography and the site appeared to be seeded. Though the site appeared to have been seeded the vegetation was not found to be well established. In order to insure that the vegetation at the site will be well established only a portion of the financial guarantee will be released.

Amount of Financial Guarantee - This office has determined with consultation with the Utah Division of Oil, Gas, and Mining (UDOGM) that the required financial guarantee that should remain in place is \$3,000.00. Therefore, \$5,400 of the \$8,400 financial guarantee currently being held by UDOGM for their small mine permit S/023/108 may be released. The \$3,000.00 financial guarantee that will remain in place is sufficient to meet all anticipated reclamation requirements should the site need to be re-seeded. The amount of the reclamation cost estimate was based on the operator complying with all applicable operating and reclamation requirements.

Appeal of the Decision Determining the Required Financial Guarantee Amount - If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may request that the Utah BLM State Director review this decision. If you request a State Director review, the request must be received in the Utah BLM State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director. Standards for obtaining a stay are given below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

If the State Director does not make a decision concerning your request for review of this decision within 21 days of BLM's receipt of the request, you should consider the request declined and you may appeal this decision to the

Interior Board of Land Appeals (IBLA). You may contact the Utah BLM State Office to determine when BLM receives the request for State Director Review. You have 30 days from the end of the 21 day period in which to file your notice of appeal with the IBLA (see procedures below). If you wish to bypass a State Director review, this decision may be appealed directly to the IBLA in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in the Fillmore Field Office at, 95 East 500 North, Fillmore, Utah 84631 within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the IBLA, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

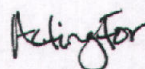
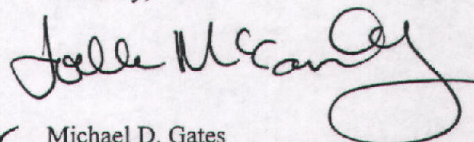
Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

If you have any questions, please contact Jerry Mansfield, FFO Geologist, at (435) 743-3125.

Sincerely,



Michael D. Gates
Field Manager

Enclosure: Form 1842-1

cc:

Paul Baker

UDOGM

1594 W North Temple Ste 1210

Salt Lake City, UT 84114

Opie Abeyta (UT-923)

Utah State Office/ BLM

PO Box 45155

Salt Lake City, UT 84145-0155

Penny Berry - Black Magic S0230108

From: Penny Berry
To: iron_ox_@hotmail.com
Date: 11/10/2009 12:18 PM
Subject: Black Magic S0230108
Attachments: reclamation contract SMO 12-11-08.DOC

Hi Ken,

We received your check# 1020 in the amount of \$8,400 for surety. We still need the reclamation contract. I have attached one for your convenience. If you have any questions please call 801-538-5291 or email. Thank you.

Penny